

Connect Asia Newsletter

Information on trade, economic cooperation and integration in Asia
From the GIZ programme Support for Economic Cooperation in Sub-Regional
Initiatives in Asia

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Editorial



Dear Readers,

for the last time in 2016 I welcome you back to updates from our recent work as well as information on recent trends in trade and regional integration in Asia. In the last quarter of the year, we were mostly active in the field of trade facilitation with a special emphasis on agricultural trade. By reaching out to our colleagues

from the sectoral programme Agricultural Trade and Value Chains based in Bonn, Germany we provided EU examples to policy makers in Northeast Asia during the annual Trade Facilitation Capacity Building hosted by Korean Customs Service (KCS) and the Greater Tumen Initiative Secretariat (GTI). Please see below for more in-depth information on this and other programme activities.

Apart from our programme news as usual we have compiled a selection of documents and studies in our main thematic focus areas of trade and regional integration. In addition to our regular inputs please also take your time to check out our newly designed website at connecting-asia.org.

As the end of the year approaches, I would also like to add Season's Greetings and a Happy New Year 2017 to all our readers! Preparations are underway for a fresh start in 2017 with new activities in close cooperation with our partners in Southeast Asia in the fields of trade facilitation and especially private sector involvement. I am looking forward to welcoming you again to our first installment of programme updates in the new year and to future cooperation.

With the best from the SCSi Team,

Magnus C. M. Brod
Editor

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Programme News

Trade Facilitation

GIZ SCSi presents at UNESCAP - GTI Seminar on Trade Facilitation in Northeast Asia



The annual International Seminar on Trade Facilitation in Northeast Asia organised by United Nations Economic and Social Commission for Asia and the Pacific

Dates and Events

9 January 2017

Forum
Regional Outlook Forum 2017
Singapore
ISEAS
[iseas.edu.sg/...](http://iseas.edu.sg/)

18 January 2017

Symposium
Making Trade Inclusive:
Symposium on SMEs and Trade
Adjustment
Tokyo, Japan
ADB
[www.adb.org/...](http://www.adb.org/)

18 January 2017

Conference
What can the ASEAN Community
contribute to South East Asia and
the World?
Paris, France
ERIA & IFRI
[ifri.org/...](http://ifri.org/)

23-27 January 2017

Forum
International Forum for National
Trade Facilitation Committees
Geneva, Switzerland
UNCTAD
[unctad.org/...](http://unctad.org/)

8-9 February 2017

Conference
Borderless Communities and
Nations with Borders: Challenges
of Globalisation
Yogyakarta, Indonesia
IIFAS
[iifas.info/...](http://iifas.info/)

22-23 March 2017

Fair
8th ADB Business Opportunities
Fair 2017
Manila, Philippines
ADB
[adb.org/...](http://adb.org/)

24 March 2017

Workshop
Capacity Building Workshop on
Facilitation of Cross-border
Paperless Trade in Asia and the
Pacific



(UNESCAP) and the Greater Tumen Initiative (GTI) was held on 13 December 2016. The seminar was scheduled back-to-back with the inaugural meeting of

the GTI Trade Facilitation Committee. The event serves as a platform for dialogue and cooperation on trade facilitation issues among relevant stakeholders in the Greater Tumen Region.

As a continuous partner of GTI, the GIZ SCSi programme was invited to contribute to the dialogue on standards in agricultural trade. Magnus Brod presented on GIZ experiences in regional cooperation addressing agricultural trade standards in the ASEAN region. The comprehensive list of speakers included private sector experts as well as representatives from other international organisations such as World Trade Organization (WTO), World Customs Union (WCU), and the UN Industrial Development Organization (UNIDO). The various contributions on international initiatives fostered knowledge-sharing and created a stimulating environment for ideas on future cooperation between the GTI members which were discussed following the seminar.

Read the UNESCAP press release here: unescap.org/...

Contact: Magnus.Brod@giz.de

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Trade Facilitation

5th GTI Trade Facilitation Capacity Building Workshop held in Seoul, Republic of Korea



On 24-28 October 2016 Korean Customs Service (KCS) hosted the 5th Trade Facilitation Capacity Building Workshop of the Greater Tumen Initiative (GTI) in Seoul which was co-organized by the GTI Secretariat. The workshop has been held since 2012 to facilitate trade in Northeast Asia

through knowledge sharing among national and local government officials, custom officials from GTI member countries as well as experts from international organisations, research institutes, and the private sector.

This year's workshop specifically addressed the topics "Standardisation in Trade Facilitation" and "Paperless Trade for better Risk Management". Government and custom officials from China, Mongolia, Republic of Korea, and the Russian Federation shared their experience and insights on trade activities and challenges in Northeast Asia. Representative from the South Asian Association for Regional Cooperation (SAARC), the ANDEAN Community (CAN), World Customs Organisation (WCO), UNESCAP, and UNIDO ITPO presented on regional and international experiences as well as best practices.

Presenters highlighted recent improvements in the region but also pointed out the need for more exchange among GTI member countries regarding border crossing- procedures. Moreover, Theo Hesselink from WCO emphasised to not only look at customs on the border but to also address further agencies involved in border crossing processes. GIZ supported the workshop with an input on "Facilitate safe agricultural trade Experiences from EU integration" that explained how EU food standards harmonized gradually over time and by this providing examples for future cooperation among GTI member states.

Read the GTI Secretariat's report on the event here: tumenprogramme.org/...

Contact: Florian.Miss@giz.de

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Recent Trends in Regional Integration and Trade

United Nations Conference on Trade and Development

Treaty to Facilitate Cross-Border Paperless Trade in Asia and the Pacific

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific was adopted in May 2016 by the 72nd Session of the

Pacific

Bangkok, Thailand
UNESCAP
unescap.org/...

6-7 April 2017

Forum
East Asia Forum
Berlin, Germany
OSCE
eastforum-berlin.de/...

25 April 2017

Policy Dialogue
The Role of Public Finance in Asian Infrastructure Development
Tokyo, Japan
ADB, OECD, ERIA
adb.org/...

4-7 May 2017

Annual Meeting
50th Annual Meeting of the Asian Development Bank
Yokohama, Japan
ADB
adb.org/...

7-12 May 2017

Conference
30th World Ports
Nusa Dua, Bali, Indonesia
IAPH
iaphbali2017.com/...

10-12 May 2017

Forum
World Economic Forum on ASEAN
Phnom Penh, Cambodia
World Economic Forum
weforum.org/...

4-8 October 2017

Congress
FIATA World Congress
Kuala Lumpur, Malaysia
FIATA
fiata2017.org/...

More on GIZ SCSi Programme

Sub-Regional Initiatives play an increasingly important role in Asia's regional economic cooperation and integration. They help countries to overcome the limitations of domestic markets and foster inclusive development, both by boosting economic growth and by providing the resources for appropriate policies. The GIZ SCSi Programme supports regional stakeholders with the aim to strengthen selected core processes of regional economic cooperation and integration and to contribute to a sustainable and inclusive economic development in the region. Visit our website: www.giz.de/scsi/...

ESCAP. Since 2012, ESCAP members had been working together on developing cross-border paperless trade solutions. The lack of appropriate legal and technical frameworks enabling the recognition of trade-related electronic data and documents across borders often means that international transactions cannot be completed without time and resource-intensive paper documents. The new UN treaty is expected to both build upon and support existing initiatives as well as provide a new tool and “digital” complement for better implementation of the WTO Agreement on Trade Facilitation and facilitate cross-border e-commerce. The new Framework Agreement will enter into force after 5 ESCAP member states have ratified it.

Access the full report: unctad.org/... (1.07 MB)

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Center for Strategic and International Studies

Mapping Connectivity in Asia

Reconnecting Asia is a recently launched initiative by the Center for Strategic and International Studies (CSIS) that maps linkages – roads, railways, and other infrastructure projects – that are reshaping economic and geopolitical realities across Asia reaching via Central Asia to Europe. Through visualisation, the website provides an up to date source for information on the high amount of infrastructure projects in the region. The visualisation is paired with analysis on the topic from the perspective of geopolitics. All underlying data and methodology are presented as well.

Access the website at: reconasia.csis.org/...

Lao Trade Portal

Study on Non-Tariff Measures Faced by Laotian Exporters

As one of the least developed countries in the region, Lao PDR opened its economy in recent years to private initiatives and foreign direct investments and is now one of the fastest growing economies in Southeast Asia. The liberalised trade policy goes along with a reduction of Non-Tariff Barriers (NTBs) and implementation of trade legislation in line with the principles of WTO and ASEAN agreements. The study provides a comparative overview of Non-Tariff Measures (NTMs) affecting eight selected Lao products for export and seeks to identify the barriers faced by Lao PDR's exporters. It considered Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) regarding the products banana, coffee, dried cassava, maize, rice, rubber, white charcoal, and wood. The field level data indicates that about 80% of Lao exporters have been facing difficulties with NTMs, of which 87% are agricultural (SPS) firms and 76% are manufacturing (TBT) firms.

Access the full paper at: laotradeportal.gov.la/... (3.9 MB)

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Asian Development Bank

Operational Plan for Regional Cooperation and Integration published for 2016-2020

After the Independent Evaluation Department of ADB reported the positive impact RCI projects on economic development the new RCI Operational Plan (RCI-OP) is designed to guide RCI operations in five ways. First, it aims at expanding a more innovative sovereign funded RCI portfolio as part of the 30% RCI lending target of overall ADB operations under Strategy 2020. Second, it will guide the growth of the RCI portfolio by focusing support for non-sovereign RCI operations using direct private sector financing as well as PPP modalities. Third, establishing an RCI project classification system based on cross-border analytics related to regional cooperation aims at collaborative and mutually beneficial RCI projects. Fourth, a “One ADB” approach is introduced to support signature RCI intersub-regional projects and efficient use of resources and skills. Finally, it will support RCI staff skills development and RCI performance recognition.

Access the plan at: adb.org/... (1.7 MB)

Economic Research Institute for ASEAN and East Asia

Assessment of Standards and Mutual Recognition Agreements within ASEAN Economic Community

Eliminating technical barriers to trade and harmonising standards to enhance trade facilitation among ASEAN member states is a requirement to achieve a single market and production base as envisioned under the ASEAN Economic Blueprint (AEC). This report examines the basis of developments surrounding ASEAN's efforts in the area of standards and conformance, focusing on the following six sectors: automobiles, cosmetics, electrical and electronic equipment, medical devices, rubber-based products, and wood-based products. It reviews the implementation of ASEAN initiatives in four selected ASEAN member states – Indonesia, Malaysia, Thailand, and Viet Nam – and identifies public support measures and capacity-building initiatives that ASEAN or specific member states have received from stakeholders like EU and Germany. The paper concludes with the importance of standards and conformance for regional

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Publications

The following selection of event documentations and background papers are available:

[Roundtable Meeting: Regional Infrastructure Investment Initiatives](#) (4.3 MB)

[Expert Input: European Experiences of Cross-Border Cooperation](#) (3.1 MB)

[Expert Forum: Asian Regional Integration Revisited](#) (5.1 MB)

Find the publications on our website:

www.connecting-asia.org/...

integration which should be reflected in the post-2015 regional policy.
Read the full report here: [eria.org/...](#) (763 KB)

United Nations Economic and Social Commission for Asia and the Pacific Asia-Pacific Trade and Investment Report 2016

The annual report, published by UNESCAP, sheds light on the trade performance of Asian and Pacific countries for the period 2015 to 2016. "Trade is the key driver of economic activity in Asia and the Pacific," stated Dr. Shamshad Akhtar, of UNESCAP. A fact, which is highlighted by the growing importance of trade in services in Asia. However, an attested growth in restrictive trade policies in the region is an alarming signal for policy makers. In addition to the region-wide report, sub-regional trade briefs are also included. For East and Northeast Asia, the brief recounts that despite the global slowdown of trade, intra-regional trade remains rather stable.
Access full report at: [unescap.org/...](#) (10.9 MB)

The Diplomat

Shift in Trade Relations within APEC Members Following US Election

With the election of Donald Trump as the next president of the United States, the Trans-Pacific Partnership (TPP) has been put on hold. The Asia Pacific Economic Cooperation (APEC) summit held in November reflected the change of US withdrawal from the Asia Pacific Region and has put a spotlight on China to take on the main role of maintaining the liberal trade order. The FTAAP – an APEC initiative – or the envisaged Regional Comprehensive Economic Partnership (RCEP) that excludes the US but includes other major Asian economies like India would strengthen the region. These deals will likely yield positive sum results for their participants, albeit not in the same scope as TPP, argues this recent article in The Diplomat. Participating states are expected to benefit from trade, even if their seemingly lower standards may not provide longterm benefits for lower income states in Asia such as Vietnam, which is considering participation in both RCEP and FTAAP.
Access the article at: [thediplomat.com/...](#)

Economic Research Institute for ASEAN and East Asia Implication of Mega FTAs for Regional Integration

ASEAN member states should take preparatory steps in response to the evolution of 21st century regionalism argues the latest ERIA Policy Brief. Efforts towards Asian regionalism may face too many challenges to keep up with the trend of Mega FTAs – such as Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (TTIP) or the Trade in Services Agreement (TSA) – that aim for higher standards and quality and promise to drive governance of global value chains forward. Regardless of whether these Mega FTAs are going to be ratified in the near future, countries in Asia should pay close attention and get involved in this new process of rules setting. First, by conducting impact analysis to prepare and account for social and economic adjustment costs. Second, the Regional Comprehensive Economic Partnership (RCEP) could provide the viable means for deepening regional integration and cooperation. As RCEP involves developing and least-developed countries it is not likely to compete with Mega FTAs but could serve as a blueprint for further adjustment for higher standards and regulation in the long term.
Read the full paper here: [eria.org/...](#) (292 KB)

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